



2020

SUSTAINABILITY REPORT FOR AGDER ENERGI

By company





SUSTAINABILITY REPORTING AT AGDER ENERGI

Each year, Agder Energi reports on its work on sustainability in accordance with the global reporting initiative GRI Standards. Some of this is reported in the annual report, which includes an overview and the most important information. The sustainability report itself contains more detailed information about the Group and its subsidiaries.

The first part of the sustainability report contains information about the Group's activities in the areas of sustainability and Corporate Social Responsibility (CSR), as well as a more detailed explanation of the reporting process. This includes a description of our work with stakeholders and how the Group and individual companies assess the materiality of topics relating to sustainability. This part of the report also contains a description of the Group's supply chains and our activities in relation to the areas of innovation and the business environment. This is also where aggregated data for the whole Group are presented.

The second part of the sustainability report is specific for each individual reporting company. It includes a short introduction to the company in question, data for the sustainability topics that are reported by all of the companies in the Group, and data for the topics that are particularly relevant to the individual company.

Finally, the methodology used to collect data is presented, together with more technical information about the reporting process.



The battery factory of the future will be built in Arendal Municipality. Agder Energi is participating in a new, Norwegian company that will supply Europe with the next generation of sustainable batteries – Morrow Batteries. The plan is to build a research centre and factory to supply the rapidly growing market with batteries based on both current and future technologies. Photo credit: Morrow Batteries



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KEY CSR FIGURES FOR THE AGDER ENERGI GROUP

Anti corruption



All employees have received information and training on anti-corruption guidelines and procedures

Breaches of laws and regulations



One fine for an oil spill in 2018

Health and safety



All employees are covered by the Group's health and safety system

An attractive employer that supports professional development



All employees are given regular feedback on, and reviews of, their performance and career development

Biodiversity



Four species are monitored particularly closely to protect their habitats.

Greenhouse gas emissions



Direct emissions

- Scope 1: 1,192 tCO₂e

Indirect emissions

- Scope 2: Physical approach: 289 tCO₂e

- Scope 2: Market-based approach: 67 tCO₂e

- Scope 3: 1,683 tCO₂e

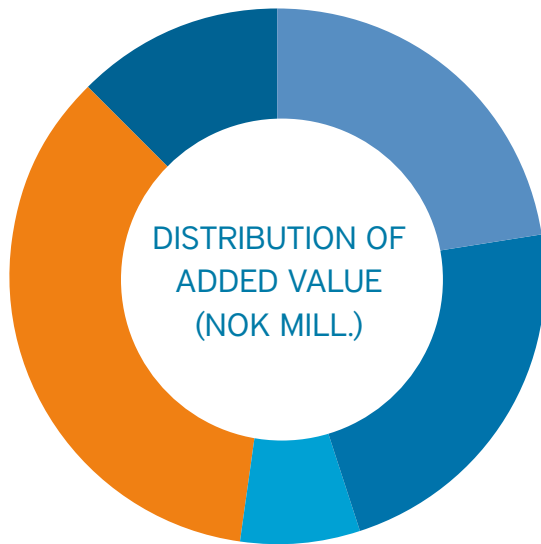
The energy/renewable energy industry



8 293 GWh net energy output



CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY



	Net amount the company	601
	Net amount employees	597
	Net amount lenders	188
	Net amount the public sector	941
	Net amount shareholders	325

▶ AVAILABLE DISTRIBUTION

	2020	2019	2018
Net amount the company	22.7 %	27.2 %	14.5 %
Net amount employees	22.5 %	14.0 %	20.2 %
Net amount lenders	7.1 %	6.6 %	4.9 %
Net amount the public sector	35.5 %	52.2 %	44.0 %
Net amount shareholders	12.3 %	-	16.4 %



SUSTAINABILITY AT AGDER ENERGI 2020

Six of the UN's 17 sustainability goals are the natural starting point for Agder Energy's continued work on the environment and sustainability.



GOALS

- Our hydroelectric power stations shall be available to generate electricity 98 percent of the time.
- At least 99 percent of our district heating energy shall come from renewable sources.
- We shall spend at least 75 percent of the money that goes into our green fund on measures to promote sustainability at Agder Energi and our customers.

CURRENT STATUS

- Outcome: 92.9 percent. The outcome in 2020 was lower than the goal for the year. This was partly due to major repair work at Rygene power station after cracks formed in the runner chamber. There were also several other relatively large projects that prevented power stations from operating for extended periods.
- Outcome: 99.3 percent of district heating energy was renewable.
- Outcome: In 2020, we spent money on an environmental project in the River Nidelva, which involved creating nursery areas for salmon at Espeland. We also provided financial support for the installation of solar panels on the roofs of three of Entelios's customers in Sweden, and for an energy-efficiency project at Karlstad University. The final figures, which were not available at the time of writing in mid-February 2021, will determine whether the goal has been met.



GOALS

- The up-time of our power distribution network in Agder shall be at least 99.98 percent.
- Agder Energi Nett shall have a quick turnaround time for connecting new customers, and we shall build the right infrastructure at the right time and in the right place.
- We shall raise the proportion of R&D investment in our projects.

CURRENT STATUS

- Outcome: 99.982 percent up-time.
- Agder Energi Nett has been receiving a growing number of requests for grid connection. In spite of this, the time taken from when a customer contacts us until they are physically connected has fallen significantly. Requests for simple connections were 18 percent higher in 2020 than in 2019. For big business customers, there was a 10 percent increase from the previous year. Meanwhile, the time taken to fulfil requests fell by around 15 percent from 2019 to 2020.
- In 2020, Agder Energi secured funding from Innovation Norway for research projects looking at offshore wind power and hydrogen, and the NorFlex project also continued with funding from Enova. In the case of Agder Energi Nett, R&D grants can be up to 0.3 percent of the company's invested capital, and in 2020 this ceiling was reached.



GOALS

- To help increase the electrification level in our region.
- For our methodology for calculating the electricity index and electrification level to be used by all of Norway's municipalities when planning their electrification programmes.

CURRENT STATUS

- Over the course of the year, we have helped test tomorrow's energy solutions for cities and communities through our participation in Electric Region Agder.
- In the spring of 2020, Agder Energi and Siemens launched an electricity index for municipalities, the business community and stakeholder organisations, and it also arranged talks and discussions on the possibilities for electrification at municipalities.



GOALS

- To have implemented sustainability requirements and criteria for 100 percent of our purchases.

CURRENT STATUS

- What we require and expect of our suppliers has been defined through our Guidelines on Corporate Social Responsibility and Ethics, which are included in our contractual documents.



GOALS

- We shall reduce our own greenhouse gas emissions by at least 5 percent in 2020, and by at least 50 percent by 2030. The baseline is emissions in 2019.
- During 2020 we shall perform a comprehensive survey of climate risks facing the Group, based on various climate scenarios.

CURRENT STATUS

- The Group has chosen to sign up to the Science Based Targets initiative. Emissions in 2020 fell by more than 5 percent. In spite of the pandemic, our business activity was virtually the same as in a normal year, but in particular, the number of flights fell due to travel restrictions.
- In 2020 we carried out a scenario-based risk assessment for all of the Group's business areas.



GOALS

- At least 90 percent of employees at Agder Energi shall have received sustainability training.

CURRENT STATUS

- Outcome: 72 percent of employees completed an online course on ethics in which CSR and sustainability were key topics.

HOW IS CSR IMPORTANT TO AGDER ENERGI



Society and the business community are closely intertwined and they influence one another. Businesses can only create value if there is a functioning, sustainable society, and society needs a healthy, responsible business community in order to function properly. CSR and sustainability don't just add value at a moral level, they also add it by generating growth and being profitable for both the company and its stakeholders.

Agder Energi's mission: We provide clean energy for a sustainable society, now and in the future – highlights the links between the group and society. The Group also has a long, proud history of making an important contribution to society, and it sets high standards for fulfilling its mission in a responsible and sustainable way. The Group considers it important for entities to take responsibility above and beyond simply maximising their return on capital.

Climate change is a global challenge, and if we are to reach the more ambitious targets of the Paris Agreement, companies must promote positive change and mitigate negative impacts. Climate change is also becoming increasingly important to our stakeholders, who are imposing ever stricter requirements in relation to CSR and CSR reporting. That's why we publish a separate sustainability report each year.

Agder Energi has been seeking an overall framework for its work on the environment and sustainability. In 2019, informed by the 17 UN Sustainable Development Goals, we carried out an extensive analysis of both the parent company and subsidiaries to determine which areas it made most sense to prioritise going forwards. Six of the 17 goals were chosen as the Group's sustainability goals, and based on them, goals and action plans have been formulated for Agder Energi's subsidiaries and business areas.

Agder Energi's work on CSR is based on our values, and sustainability permeates all aspects of our strategy, mandate and day-to-day operations. The UN Sustainable Development Goals are based on global challenges that require entities to work together. Frequently, many entities face the same issues in terms of how to act responsibly and use large amounts of resources to solve them individually. In view of that, Agder Energi has decided to play a key role in the Norwegian branch of the UN Global Compact. The UN Global Compact, the world's biggest business organisation focusing on CSR, is working to make CSR a natural part of the strategy of its member companies.

As well as taking part in the UN Global Compact, Agder Energi works closely with various other organisations that promote

sustainable business development: Skift – The Business Community's Climate Leaders, ZERO and Klimapartnere. Agder Energi is also certified as an Eco-Lighthouse. Work on both CSR and sustainability shall play a significant role in meeting the group's strategic goals, and provide a route to achieving green, long-term profitability.

In December 2020, Agder Energi adopted a new Group strategy. The overriding aim of the strategy is to create profitable growth in a renewable future. In order to achieve this, the Group shall both continue to build on its core business, by developing its renewable hydroelectric power and smart grid solutions, and invest further in energy management and trading, as well as in the customer interface.

A key element of the new strategy is that Agder Energi shall help to speed up the green transition. The Group shall help to build a society based on renewable energy and enable customers and partners to take part in the green transition. That involves developing new industries and businesses based on access to renewable energy. There is likely to be great potential in new green value chains in a society that is increasingly demanding products and services that have been produced sustainably.



Project manager Tor Åmdal in one of the tunnels that was made in conjunction with the Åseral Nord project

STAKEHOLDERS AND AGDER ENERGI

Agder Energi defines stakeholders as people or groups who are affected by, or who could affect, the Group's business activities. Cooperation with stakeholders is a high priority for Agder Energi, and as a publicly owned company we are dependent on being trusted. Cooperation with stakeholders is therefore part of the Group's day-to-day activities. Each company defines its most important stakeholders in its business plan, and the Group's most important stakeholders are the ones identified as important by the companies overall. The important stakeholders include employees, shareholders, customers, stakeholder organisations, government authorities, suppliers, lenders and other business partners.

Sustainability reporting is a key aspect of our communication with the Group's most important stakeholders, and the purpose of this reporting is to meet their needs for information about the Group's efforts to integrate social and environmental considerations into its day-to-day operations.



EMPLOYEES

At the close of the year, the Group had 915 permanent and temporary employees. Meanwhile, the companies covered by this report had 762 employees at the end of the year. Employee representatives and managers at Agder Energi have several regular, formal channels for discussing both strategic and operational issues. There are also a number of informal channels of communication. A working environment survey of the Group's employees is carried out every two years. The Electrician and IT workers union, The Norwegian Society of Graduate Technical

and Scientific Professionals (Tekna), The Norwegian Society of Engineers and Technologists (NITO) and Negotia each have a chief employee representative for the Group. They also have a joint chief representative for the Group. There are a number of channels through which employee representatives, the Group management and company managers can meet. The most important ones include the Group works council, Group meetings, working environment committees and company works councils.

As part of a systematic approach to promoting diversity, Agder Energi is participating in the project "Equality at Work" (Norw.: Ligestilt arbeidsliv). The project is about equal opportunity in the widest possible sense. That means providing equal opportunity regardless of gender, religion, ethnicity, any disability and sexual orientation. Agder Energi is continuously working on this, and we are well underway with the work to become recertified under the "Equality and Work" scheme during 2021.



SHAREHOLDERS

Each year, the senior management team meets the shareholder municipalities at meetings with their executive boards or municipal councils. The municipal shareholders also hold regular shareholder meetings.

The main topics for shareholder meetings are matters relating to the ownership of the Group, but other issues of concern to municipalities can also be raised, such as new power stations and grid reliability. Commu-

nication between the group management team and the Board of Directors takes place through formal channels that keep the owners informed of important events and allow them to have a say in major decisions.



CUSTOMERS

Customers are an important stakeholder group for the companies that operate in the domestic and business markets. LOS performs regular customer surveys, whose results are used to adapt the company's communication with the market and its customers. In addition to its own surveys, LOS also participates in a number of natio-

nal surveys performed for the electric power industry, including the TNS Kantar working environment survey, BI's Norwegian Customer Satisfaction Barometer, and EPSI Rating Norge's customer satisfaction survey. In the last of those, LOS came top for customer loyalty and trust in the domestic segment in 2020. Agder

Energi Nett is also working to improve its communication with customers. In 2020, this included introducing a simpler and more secure system for logging in to the company's customer portal.



CAPITAL MARKETS

Agder Energi is dependent on capital markets to obtain access to capital and financing on good terms. Capital markets

look at financial results, climate risk, greenhouse gas emissions, environmental plans and good corporate governance.



ORGANISATIONS

The big changes taking place in the energy industry make it vital to have the information that we need to position ourselves for the future. This is one of the reasons why the Group participates in a number of regional, national and international groups, councils and committees working on questions relating to the regulatory framework for the industry. These include both technical organisations and trade associations.

One of the most important ones is Energi Norge, the organisation which represents businesses in the energy sector affiliated to the Confederation of Norwegian Enterprise (NHO). Other organisations that Agder

Energi participates in include Eurelectric – The Association of the Electricity Industry in Europe, and the Norwegian Energy Certificate System (NECS), which is an organisation for trading in guarantees of origin).

The UN's Sustainable Development Goals provide an important platform for companies to achieve green, long-term profitability. Agder Energi is therefore playing an active part in the UN Global Compact. We also cooperate closely with other organisations on matters relating to sustainability and business development. One of the ways we do this is through a partnership

agreement with the environmental organisation ZERO, which has been running since 2013. The Group is also actively involved in Klimapartnere, which is a partnership between academia and public and private enterprises. The members of Klimapartnere are striving to reduce their own greenhouse gas emissions and to promote a greener society and economy. Agder Energi is also a member of the business-driven climate network Skift. Skift's goal is to lead the way in identifying new business opportunities on the road to a low-emission society.



GOVERNMENT AUTHORITIES AND THE LOCAL COMMUNITY

In conjunction with all power station projects, good communication with local authorities and other stakeholders in the local community is a priority. The issues that are typically of most interest to stakeholders include indirect economic impacts on local

businesses and environmental questions. When a licence application is submitted, the Norwegian Water Resources and Energy Directorate organises stakeholder and public consultations. Agder Energi also wishes to support the development of the

business community in southern Norway. One way it does this is through active involvement in projects to help achieve the ambition of making Agder the world's first fully electric region by 2030 – Electric Region Agder.



STRATEGIC PARTNERS

One important development that is highlighted in the Group's new corporate strategy is that new players and forms of collaboration are appearing in Agder

Energi's business areas. It is therefore important for the Group to establish partnerships and alliances with new players, in addition to those it has with its tradi-

tional partners and regulators. The aim is to increase our ability to develop new business opportunities in order to fulfil the Group's strategic goals.

AGDER ENERGI'S SUPPLY CHAIN



Agder Energi's mission to supply clean energy so society can prosper now and into the future also sets the parameters for risk management throughout the value chain. So that it can make a positive contribution to society, the Group sets standards for all of its suppliers – from international suppliers of raw materials to local subcontractors. To

demonstrate that ethical conduct gives a competitive advantage, Agder Energi takes into account transparency and responsible working conditions when selecting suppliers.

Agder Energi Nett and Agder Energi Varme are covered by the Norwegian Public Procurement Act. Suppliers to the distribution system operator must qualify through

UNCE, which is a supplier register and pre-qualification system used by Scandinavian utilities. For major investment projects, the total value of goods and services purchased can be of the order of one billion Norwegian kroner. Purchases for these projects range from construction services to advanced technical components. Technical installations often involve subcontractors in a number of countries.



Each year, Agder Energi spends large amounts of money on buying goods and services; here work on Fennefoss power station in Evje is well underway.



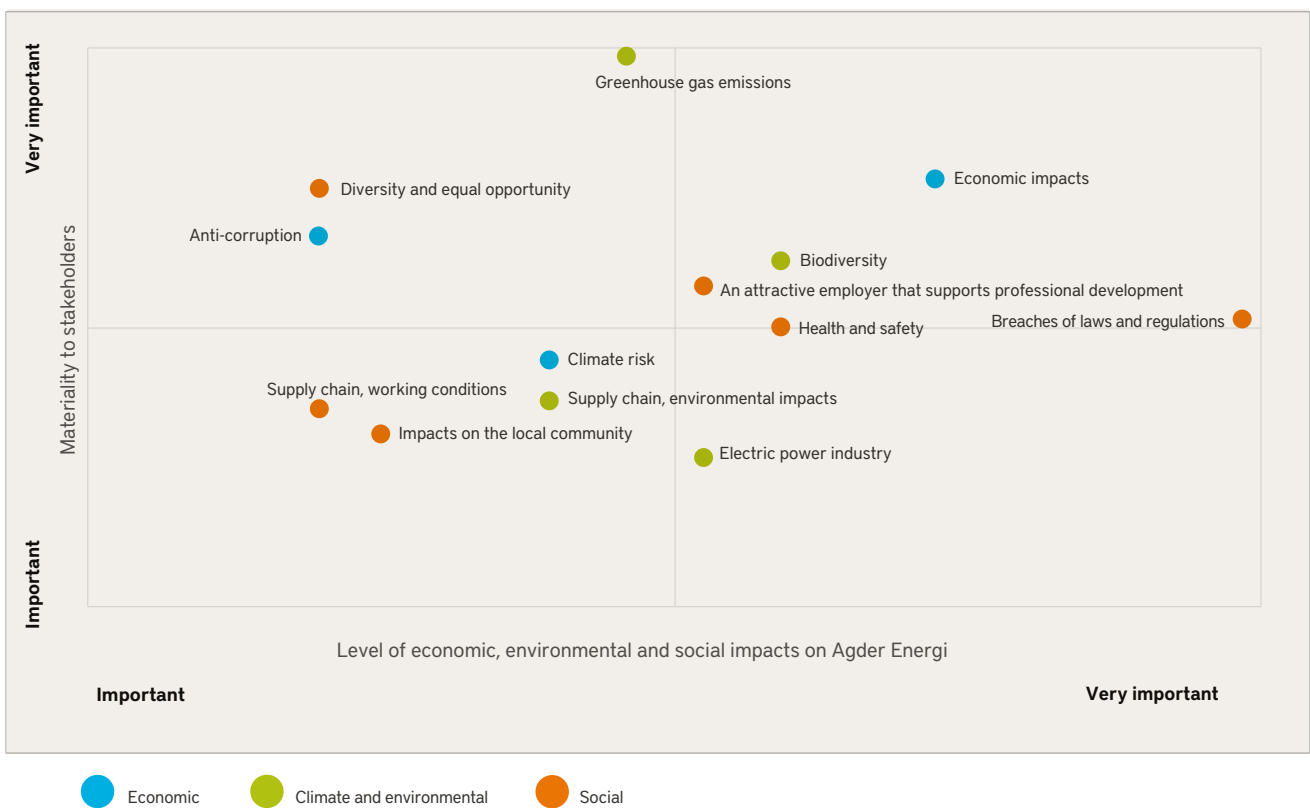
ANALYSIS OF MATERIAL ASPECTS



One of the key principles of the GRI Standards is that companies shall tailor their own sustainability reporting in light of the topics that are most material to their operations. A materiality assessment is a review of the opportunities and

risks facing a company, as well as of who the company's most important stakeholders are and what their priorities are. We carried out a new materiality assessment in 2020, which now forms the basis for Agder Energi's work on sustainability and CSR.

The figure below shows the most important and most material topics for our stakeholders in terms of our impact on the world around us.



The x axis shows the biggest risks and opportunities for Agder Energi in terms of economic, environmental and social impacts. The topics that are of most importance to the company's stakeholders, and that will affect their assessments and choices, are shown on the y axis.

New topics that are now considered material:

Climate risk: The ability of society to respond to climate change is increasingly coming into question, and there is an expectation that companies should systematically address climate risk.

Working conditions and environmental impacts in supply chains: The importance of using purchasing to promote the develop-

ment of green, forward-looking solutions has become increasingly clear in recent times. Below, working conditions and personal safety in supply chains have been merged into one topic as they should be considered jointly when setting requirements and making assessments.

Diversity and equal opportunity: There is a growing focus on diversity in society, and it is no longer just about gender equ-

ality – it has become a broader topic that now increasingly also encompasses religion, ethnicity, any disability and sexual orientation.

The companies covered by this sustainability report individually provide disclosures on the topics that are material to them. In addition, the Group aggregates data for the topics that are most material to Agder Energi as a whole.



As a result of the materiality assessment, twelve topics were selected as being particularly important:



ANTI-CORRUPTION

Like all businesses, Agder Energi faces risks associated with financial crime such as corruption, misconduct and illegal price fixing. The Board and executive management of Agder Energi are responsible for implementing a robust anti-corruption system, an important element of which is providing training to employees.

Within Agder Energi's ethical framework, all employees have a responsibility to pre-

vent corruption. Preventive measures have been put in place, such as ethical guidelines, dilemma training and internal controls. All employees do an annual e-learning course on these topics. An anti-corruption handbook is available to all employees in Norway and at our international businesses.

Moreover, a new role has been created with the main aim of preventing corruption. Various internal and external whistle-

blowing channels have been established. Agder Energi has created an interdisciplinary ethics committee to deal with matters reported through the whistleblowing channels.

All of Agder Energi's employees have received information and training on the Group's anti-corruption guidelines and procedures.



AN ATTRACTIVE EMPLOYER THAT SUPPORTS PROFESSIONAL DEVELOPMENT

Agder Energi considers that its employees' skills are an important resource. In order to be an attractive employer that supports professional development, the Group prioritises looking after the needs of its employees.

The Group's approach to training is informed by the innovation and business development activities set out in the Group's strategy, as well as by the need for digitalisation and adaptation to new technology. The Group is therefore working to establish a strong culture of continuous

improvement, modernisation and innovation.

Agder Energi is continuously improving its skills base and capacity for change. This includes reinforcing our technical expertise and increasing our focus on talent management. As part of that strategy, we are putting the spotlight on trainees. As of the winter of 2021, Agder Energi has four trainees from the Trainee Sør programme, and its aim is to have, at all times, one trainee in each of its business areas, as well as one Group trainee. Through our

involvement with Trainee Sør, we have had over 100 trainees working in many different parts of our business.

The Group is experiencing a growing need to make use of expertise across its companies, and internal mobility is increasing. The Group is therefore making increasing use of flexible working structures, which facilitate the sharing of expertise between companies without staff having to be transferred. We try hard to provide opportunities for career development at the Group.



BIODIVERSITY

Biodiversity is important to the Group as a whole, but particularly so to Agder Energi Vannkraft and Agder Energi Nett. All companies in the Group follow the Group CSR and Environmental Guidelines, which give the companies themselves responsibility for setting goals with respect to their environmental impacts. Agder Energi Vannkraft focuses on biodiversity in the watercourses where it operates, while the impact of power lines on vulnerable species is an important topic for Agder Energi Nett. The

Group regularly assesses the need to make changes to its activities in relation to biodiversity.

Dams and power stations change the natural environment, but the Group's activities do not have a bigger impact on nature or society than is usual for this kind of business. At the companies covered in this report, Agder Energi has 57 part-owned and wholly-owned power stations including three power stations in Latvia and five in Lithuania.

Distribution system operation is not as such polluting, but power lines have an impact on the landscape, and there is a risk of birds colliding with them or suffering electric shocks. Agder Energi Nett's operations have a particularly big impact on one critically endangered species, the Eurasian eagle-owl. Agder Energi Vannkraft's operations affect eels, which are defined as vulnerable, as well as salmon and bleke, which are defined as being of least concern.



BREACHES OF LAWS AND REGULATIONS

The Group considers it a priority to adhere to the requirements stipulated by relevant laws and regulations. Compliance is a line management responsibility implemented through organisational structures, procedures and systems. In order to assist line managers with this, a Group compliance function has been established.

Agder Energi's compliance system consists of functions to prevent, identify and respond to issues. The parent company and the

biggest business areas have their own compliance officers.

Once a year, the subsidiaries in the Group give an update on compliance to the parent company. Currently there is no system in place for continuous reporting of breaches of laws and regulations.

Unwanted incidents that occurred in 2020 are described in the section on the company in question. In 2020, Agder Energi Varme

was fined for an oil spill that occurred back in 2018. The company has accepted the fine and tightened up its procedures in accordance with the relevant regulations and guidelines.

The executive management is not aware of any other unwanted incidents at the Group's subsidiaries in 2020, or of the authorities imposing fines or other sanctions on them.



HEALTH AND SAFETY

Health and safety is a priority area at all levels of our organisation. Our health and safety activities are regulated by legislation, company guidelines, instructions and procedures, as set out in the Group's health and safety management system.

We have a zero accident vision and we want all of our employees to experience job satisfaction. The health and safety figures for recent years show improvement. Health and safety has been prioritised throughout the organisation, and it is the first item on the agenda at management meetings at both the Group and company levels. Employees receive health and safety training that reflects their roles and certain companies, such as Agder Energi Vannkraft, have additional health and safety training programmes.

Our total injury frequency (number of injuries per million work hours) was 2.6 in 2020. The sickness absence rate was 2.6%.

Most of our companies have seen these numbers improve during the Covid-19 pandemic. We work proactively to detect potential long-term absence at an early stage and we closely follow up sickness absence at the Group.

Dedicated health and safety managers at power stations are responsible for reporting and facilitating improvements to health and safety procedures, as required and in response to defined threshold values. There is an occupational health and safety system with working environment committees covering all workers, who are given the opportunity to report dangerous situations and accidents. Employees participate in, and contribute to, health and safety activities through the working environment committees and safety representatives at individual companies, as well as through departmental safety and working environment surveys. We have also established a public, anonymous

whistleblowing channel that our own employees, contractors and third parties can use to report any misconduct. In addition, all of the companies in the Group have a company health service.

Agder Energi has a range of risk assessment tools adapted to the activities and situations they are designed for. Broadly speaking, risk assessments are carried out for emergency planning, liability during projects, restructuring and operational issues. Risk managers at individual companies are responsible for keeping assessments up-to-date. For workplace operations, a Safe Job Analysis (SJA) is used, which is carried out by the person responsible for the work before starting. This covers local issues and is designed to deal with the risks associated with the task at hand. Risk assessments may lead to physical or organisational changes, which are implemented to ensure that the working environment is completely safe.



GREENHOUSE GAS EMISSIONS

For a Group whose business is based on the generation, distribution and sale of renewable energy, low greenhouse gas emissions provide a significant competitive advantage and are important to the Group's ability to add value. The Group is working to minimise its own greenhouse gas emissions and has chosen to sign up to the Science Based Targets initiative. Based on our involvement in this initiative, we have set a goal of reducing our own emissions by at least 50% by 2030, with 2019 as the base year.

To help us in this work, we have started using a software tool supplied by CEMAsys. This tool is based on the international standard "A Corporate Accounting and Reporting Standard", developed by the "The Greenhouse Gas (GHG) Protocol Initiative". This is the world's most widely used method for measuring a company's greenhouse gas emissions, and the ISO 14064-1 standard is based on it. As well as ensuring that up-to-date emission factors are used, the software tool makes it easier to analyse what areas make the biggest contributions to emissions.

This analysis is split into three separate scopes:

Scope 1: Mandatory reporting for all emission sources at assets over which the organisation has operational control. This includes all use of fossil fuels by stationa-

ry and mobile activities (owned and leased vehicles, oil-fired boilers, etc.). It also includes direct process emissions of SF6 at Agder Energi Vannkraft and Agder Energi Nett where relevant.

Scope 2: Mandatory reporting of indirect emissions from purchased energy: electricity and district heating/cooling. The GHG Protocol requires electricity consumption to be reported in two ways. The physical approach (location-based method) uses emission factors based on actual emissions from electricity generation within a specific area. The market-based approach uses emission factors based on whether or not the enterprise chooses to buy guarantees of origin. In total, the companies in the Group have acquired guarantees of origin for all of their 30,038 MWh of consumption in Norway and Sweden. Agder Energi Nett's revenues are regulated by the government. The income cap takes little account of the need to buy guarantees of origin to cover distribution losses. In 2020, Agder Energi Nett's distribution losses amounted to approximately 307 GWh.

Scope 3: Voluntary reporting of indirect emissions related to purchased goods and services. These are emissions that can be indirectly attributed to the organisation's activities, but that are outside its control (hence indirect). Scope 3 reporting includes flights, travel by own cars and hire

cars, and waste from the offices in Kristiansand and Arendal. We also report emissions arising from contractors' use of concrete and asphalt at Agder Energi Vannkraft's big projects. In addition, the use of helicopter fuel for inspection flights by Agder Energi Nett is included.

The biggest direct emissions (scope 1) are from road transport, burning fossil fuels to meet peak loads on district heating systems and SF6 emissions from switchgear.

Indirect emissions from electricity consumption (scope 2) are reduced to zero under the market-based method by buying guarantees of origin for all consumption in Norway and Sweden.

The biggest contribution to other indirect emissions (scope 3) comes from the use of concrete and asphalt for the repair and construction of hydroelectric power stations. Business travel by air, employees' own cars and hire cars also contribute to indirect emissions.

Changes were made to the reporting method in 2019, and on account of this change to the calculation of greenhouse gas emissions, the Group has chosen not to present comparative figures for 2018, since they would not be directly comparable to those for 2019 and 2020.



CLIMATE RISK

Historically, Agder Energi has always worked on emergency preparedness for extreme weather events, but without referring to it as “climate risk”.

In 2020 we carried out a scenario-based risk assessment for all of the Group’s business areas. The methodology involved identifying and assessing possible climate risks based on two hypothetical future scenarios. The scenarios were designed to be probable, but no conclusion was

drawn as to exactly how probable. The aim was to build knowledge and raise awareness in order to inform our contingency planning, strategic choices, identification of opportunities and long-term investment decisions. Our work reflects UN Sustainable Development Goal 13, “Climate action”, which speaks of the need to improve one’s ability to combat, adapt to and mitigate the consequences of climate change, and to build knowledge and awareness about this.

Our experience of the process was that it was useful to learn more about the distinction between climate risk and climate change reporting/accounting. This was a new area for many people at the Group, and it led to good, constructive discussions within our management teams.

In line with society’s growing focus on climate risk, the Group will further strengthen its work on climate risk in 2021 and beyond.

CLIMATE RISK AT AGDER ENERGI

Risk category	Risk assessment	Main action	Conclusion
Physical risk Costs associated with physical damage as a result of climate change	<p>Agder Energi has infrastructure that is particularly vulnerable to extreme weather events, especially along river systems and in forests. Both an increase in extreme weather events and more intense precipitation will increase the risks associated with outages, expenses for fault resolution, rising insurance premiums and revenue loss.</p> <p>Changes to hydrological conditions may affect the operating patterns of power stations and revenues from power generation. That may create both risks and opportunities for Agder Energi, but the downside is expected to be bigger than the upside.</p>	<p>The Group has plans in place for dealing with emergency situations and carries out drills.</p> <p>Our Distribution business area has in recent years carried out a major project to reduce risks, which has involved extra line clearing and doing more work on analysing and understanding forests.</p> <p>The condition of our infrastructure is increasingly monitored using real-time data, which allows a proactive maintenance strategy.</p> <p>Hydrological models are used to monitor and simulate changes in hydrological resources and electricity prices.</p>	High risk
Transition risk Financial risk associated with the transition to a low-emission society	<p>Stricter licence terms designed to protect the environment and biodiversity may result in a loss of revenues.</p> <p>Bans (or taxes) on environmentally hazardous substances may increase the cost of refurbishing facilities and building new ones.</p> <p>Changes to markets and technology provide new opportunities, but also increase competition for established companies such as Agder Energi. Reputation represents the biggest upside for Agder Energi, which already produces all of its energy from renewable sources. However, the EU’s classification system (taxonomy) may classify hydroelectric power as non-sustainable, which risks undermining the role of hydroelectric power in the energy system of the future.</p>	<p>Agder Energi has for a long time been monitoring political, market and technological changes. The Group seeks to influence and adapt to policy by maintaining close ties to the places where the regulatory framework is formed, including Brussels/the EU, and it actively analyses how changes and trends may affect Agder Energi.</p> <p>Towards the end of 2020, a new Group strategy was adopted that lays the foundations for adapting to change and seizing new opportunities.</p>	Medium risk



WORKING CONDITIONS AND ENVIRONMENTAL IMPACTS IN SUPPLY CHAINS

In its contracts, Agder Energi stipulates that suppliers shall comply with the Group's rules on working conditions and environmental impacts. With the help of an external supplier, the Group audited 77 companies in 2020, selected on the basis of an overall risk assessment. This included 10 "follow-up audits" at companies where there had either been one major nonconformity or four or more minor nonconformities. A

total of 149 suppliers have an up-to-date audit report registered with UNCE as of 12 January 2021.

Audits are based on recognised auditing standards and are performed in collaboration with the purchasing network Achilles. Agder Energi has chosen to put the spotlight on high-risk industries, as well as on improving the quality of its audits

and following up open items in audit reports.

Our goal is that by 2025 all of our suppliers shall meet our sustainability requirements and that at least 95 percent of suppliers shall have environmental certification or have an equivalent environmental management system in place.



DIVERSITY AND EQUAL OPPORTUNITY

As part of a systematic approach to promoting diversity, Agder Energi is participating in the project "Equality at Work" (Norw.: Likestilling arbeidsliv). The project is about equal opportunity in the widest possible

sense. That means providing equal opportunity regardless of gender, religion, ethnicity, any disability and sexual orientation.

Agder Energi is continuously working on

these issues, and it will be recertified based on the measurement criteria for the Equality and Work project during 2021. *Also see the separate report on Diversity and equal opportunity.*



ECONOMIC IMPACTS

A strong economic performance is a prerequisite for running the company and is of vital importance to our employees, shareholders and the Agder Energi Group. Reporting on our economic impacts is a way of highlighting how the Group creates and distributes economic value, not just to the shareholders but also to the employees, lenders, the public sector, and the company itself.

According to an analysis of indirect economic benefits carried out by PWC, the NOK 2.1 billion of value added created by Agder Energi's employees gives rise to a further NOK 2.9 billion of value added outside our business. In addition, there are significant unquantifiable wider economic benefits. Moreover, the 669 Agder Energi employees who are resident in Agder create over 600 jobs outside the Group.

In other words, overall the Group helps to keep almost 1,300 in employment in the region. That also gives rise to substantial personal tax revenues for the municipalities in Agder.



THE ELECTRIC POWER/RENEWABLE ENERGY INDUSTRY

The renewable energy industry has an important social mission, but it also has the potential to have a positive or negative impact on the economy, environment, climate and society. Some of the topics that are important to energy companies in general are not as relevant to groups that base their activities on generating and distributing renewable hydroelectric power. Climate-friendly renewable energy generation is one of the most important ways in which we can combat climate change.

The way in which this work is conducted is part of Agder Energi's business strategy, and as one of Norway's largest energy

utilities the Group plays an important role in society.

The Group's hydroelectric power stations, including UAB Baltic Hydroenergy and Latgales Energetika, generated 8,293 GWh of electricity in 2020. Agder Energi is building several hydroelectric power plants that will be completed over the coming years. The Group is also working on several major hydroelectric projects that may increase the Group's renewable energy generation in the future.

The high proportion of renewable energy in our district heating systems mainly

reflects our use of waste heat from Returkraft and Glencore Nikkelverk in Kristiansand. In Arendal, we burn sawdust from engineered wood manufacturers in Venesla and Kragerø, while in Grimstad and at Sørlandsparken in Kristiansand we burn sawdust briquettes from sawmills in Agder. This ensures that natural resources are fully utilised, which is both sustainable and good value for money. Agder Energi Varme's free cooling plant also supplies district cooling to many of the biggest buildings in Kristiansand. Free cooling is 100% renewable, only using cold sea water from a depth of 150 metres to cool buildings.

IMPACTS ON THE LOCAL COMMUNITY

The local community and the Agder Energi Group are symbiotic. Our modern society couldn't function without the electricity supplied by the Group, and without the local community, the Group would be unable to achieve its goals. That's why Agder Energi works to ensure the best possible relationship with the local communities in the areas where it operates.



Business environment and innovation

In order to increase the value added by the Group, Agder Energi aims to be the industry leader with respect to understanding, exploiting and influencing the business environment. Market developments and relevant technology are closely monitored. This work informs our continuous improvement processes, lobbying activities and policy positions.



Research and development

The Group's investment in R&D shall lay the foundations for long-term, profitable growth and promote development activities to increase the potential of the core

business. Through our ownership interest in Teknova, an institute for applied R&D, we support the renewable energy research community in the region. Agder Energi Vannkraft participates in HydroCen, together with the trade organisation Energi Norge and other energy and industrial companies, as well as the Norwegian University of Science and Technology, NINA, SINTEF and other research institutes. HydroCen is a Centre for Environment-friendly Energy Research backed by the Research Council of Norway. The centre aims to provide the Norwegian hydropower sector with new knowledge and innovative solutions.



Innovation

In order to ensure that we are in a position to exploit the technologies and markets of the future, we are always on the look-out for new opportunities within and beyond our current core activities. These include a collaboration with the University of Agder on artificial intelligence at power stations and a project for smart grids in partnership with Microsoft. The Group is also playing

a leading role in the pilot project NorFlex, supported by Enova, which is a partnership with a number of other organisations in the energy industry to test various technologies to encourage customers to be more flexible in their electricity consumption.

In 2020, Agder Energi and its partners NOAH and Bellona founded the company Morrow Batteries, which aims to build a battery cell factory at Eyde Energipark in Arendal. SINTEF, Innovation Norway, the Eyde cluster and raw material suppliers are also participating as partners in the project. The company will start large-scale production of batteries using current lithium-ion technology, at the same time as developing the lithium-sulphur batteries of the future.



Support for children and young people

Agder Energi's subsidiary LOS engages with the local community through the LOS fund, which each year provides NOK 1 million in grants to children

under the age of 18 in southern Norway. Since 2004, the electricity retailer has supported more than 1,000 clubs, associations and individuals spread across all of the municipalities in southern Norway.



Athlete Nikkolaj Gulbrandsen from Kristiansand reached the very top in the LOS Foundation's dream final in 2020. The prize of 150,000 kroner will be used for the preparations for the Paralympics in Paris 2024.



AGDER ENERGI GROUP

Employees (refers to employees at companies covered by the sustainability report)	Unit	2020	2019	2018
Total number of permanent and temporary employees	number	757	776	886
Andel faste ansatte	%	97 %	96 %	95 %
Andel midlertidig ansatte	%	4 %	4 %	5 %
Proportion of men*	%	75 %	74 %	77 %
Proportion of women*	%	25 %	26 %	23 %
Number of full-time equivalent permanent and temporary employees	number	735	757	696
Reaching retirement age within 5 years*	%	13 %	14 %	11 %
Reaching retirement age within 6-10 years*	%	17 %	17 %	15 %

* Of permanent employees

Biodiversity	Unit	2020	2019	2018
Number of critically endangered species affected by operations	number	1	1	1
Vulnerable species (on red list) affected by operations	number	1	1	1
Species of low concern (not on red list) affected by operations (e.g. eelgrass, salmon, bleke)	number	2	2	2

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	1	1	0

Health and safety	Unit	2020	2019	2018
Personal injuries, own employees (lost time and non-lost time) per million work hours. (H2)**	H2 value	2.6	1.8	3.5
Sickness absence	%	2.6 %	3.1 %	3.1 %


** Not incl. Baltic Hydroenergy and Latgales Energetika



Greenhouse gas emissions	Unit	2019	2018	2017
Direct emissions – Scope 1	tonnes of CO2e	1,192	1,892	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	289	228	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	67	76	
Indirect emissions – Scope 3	tonnes of CO2e	1,683	6,084	

Electric power industry	Unit	2020	2019	2018
Net energy output	GWh	8,293.35	7,410.75	8,859.77
Number of power stations	number	57	57	57
Network reliability	%	99.98 %	99.98 %	99.94 %
Length of overhead power lines	km	13,619	13,712	13,746
Length of underground/underwater lines	km	8,641	8,424	8,193
Length of district heating pipes	km	69	67	65
Length of district cooling pipes	km	18	17	16

Economic performance – direct	Unit	2020	2019	2018
Available for distribution	NOK millions	2,652	3,296	3,612
The company	%	22.7 %	7.5 %	14.5 %
Employees	%	22.5 %	17.1 %	20.2 %
Lenders	%	7.1 %	6.5 %	4.9 %
The public sector	%	35.5 %	50.3 %	44.0 %
Shareholders	%	12.3 %	18.6 %	16.4 %



Renewable hydroelectric power generation in Norway represents 99% of our total power generation. The Skjerkevann dam in Åseral is pictured here.

AGDER ENERGI VANNKRAFT



Hydroelectric power is the most important renewable energy source in Norway, and Agder Energi Vannkraft is one of Norway's leading producers, generating enough electricity to meet around 5% of Norway's total energy needs. The company has 49 wholly-owned and part-owned power stations, 42 of which are operated by the company. The power stations are located in Agder, as well as in southwest Vestfold and Telemark. Generating this electricity produces large profits, which are returned to society, in part through dividends paid to the company's public sector shareholders.



Agder Energi has been working to develop a large nursery for young salmon at Froland on the River Nidelva. Here stone blocks are put out at suitable locations in the river, which creates good hiding places for the juvenile salmon.

None of Agder Energi Vannkraft's power stations are located in protected areas or in protected river systems. Our power stations are supplied by more than 120 dams, most of which are situated in areas that are not specially protected. There are six power stations along the River Mandalselva, which is a national salmon river. In the Setesdal Vesthei Ryfylkeheiene protected landscape there are several reservoirs. Agder Energi Vannkraft strives to reduce the negative environmental impacts of generating electricity. One area of focus is ensuring that river environments allow

salmon to complete their migration while maintaining the current level of electricity generation.

Within the framework of our existing licences, we are trying to reduce negative environmental impacts through various statutory and voluntary measures, such as releasing water to entice fish to swim up rivers and building salmon ladders, as well as putting out fish and roe in reservoirs. The terms of our licences specify the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers.

In the River Mandalselva there is a special environmental design project to minimise the negative impacts caused by power generation, while also increasing or maintaining the amount of electricity generated. In the Mandalselva, salmon are counted at Laudal power station, and Agder Energi Vannkraft records the density of juvenile salmon in the area during periods of minimum flow. Last year's counts show that the measures implemented have had a positive impact on both the number of juvenile salmon and the migration of adult salmon.



At the recommendation of the environmental design project in the Mandalselva, we want to test a system that would help ensure even more migrating salmon smolts swim past the intake to Laudal power station than is currently the case. Based on research and drawings produced by SWECO, Steis Mekaniske Verksted in Tonstad has developed a fence to direct the smolts over to the right side of the river. This fence will now be tested in Lake Mannflåvann. The whole fence will consist of seven floats with grates hanging below them, two of which were put out in the summer of 2020. The project is starting with two floats in order to learn how to operate the system, and to test whether the turbulence they create is as expected. The plan is for the next floats to be put out in 2021.

At Laudal power station, Norway's biggest salmon aquarium was opened in June 2020. The 300 square metre building is the work of Mandalselva Villakssenter AS. Agder Energi Vannkraft provided the site, and it wants to use the wild salmon centre to show that power stations and salmon can coexist in a river.

In the Arendal river system, Agder Energi Vannkraft has worked with NIVA to study the migration of smolts past Rygene power station. The aim is to reduce harm to smolts migrating downriver, as well as to identify targeted actions that minimise the need

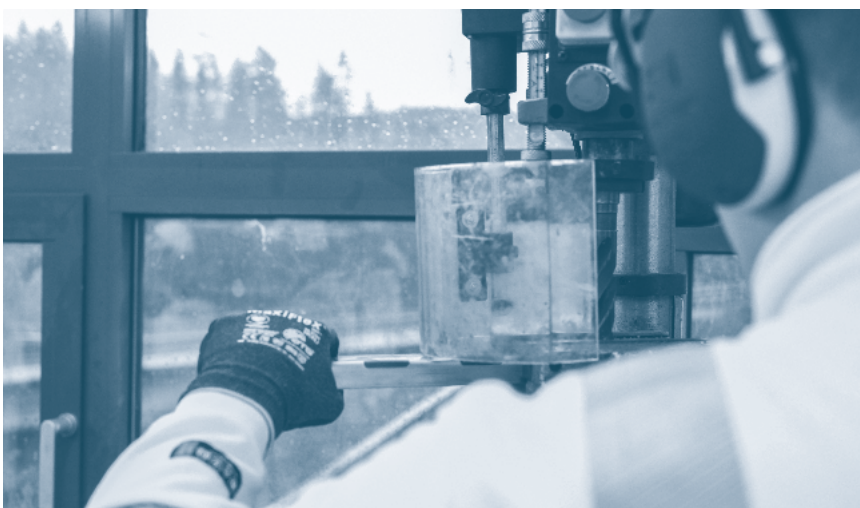
to release more water than required by the rules on the operation of our dams. Adult salmon have also been tagged to study which measures are needed to facilitate their passage up the river past Rygene power station. Work on a new salmon ladder began in 2020, and it will be ready before the salmon season in 2021.

In the summer of 2020, Agder Energi Vannkraft prepared a large nursery area for young salmon at Froland in the River Nidelva. This is just downstream from one of the most important spawning grounds for salmon on the river, and the work mainly consisted of putting out groups of stone blocks at suitable locations in the river. The blocks provide shelter for the young salmon, which is in short supply on this stretch of the river. This project was the continuation of a successful pilot in the autumn of 2018. It also comes under the umbrella of 'Restoring salmon to the Nidelva', a forum with representatives from the authorities, landowners and Agder Energi Vannkraft. Syrtveit Fiskeanlegg is located by the waterfall Syrtveitsfossen on the River Otra, close to its outlet from Lake Byglandsfjorden. It was built by Otteraaens Brugseierforening in 1992 to comply with the requirement to release fish set out in the licence terms for developing the Otra river system. For a number of years, work has been done to ensure that the bleke population is viable without the need for releases, and in recent

years only limited quantities of juvenile bleke and fertilised roe have been released. In the autumn of 2020, the company Baring AS signed an agreement with Otteraaens Brugseierforening to start experimental rearing of bleke from Byglandsfjord at Syrtveit fish farm. The aim is to promote this ancient fish for human consumption in the international market.

Agder Energi Vannkraft has in recent years invested significant amounts in upgrading and expanding the company's power stations. This includes increasing generating capacity, but also involves upgrading reservoir and transfer capacity. In 2020, the Åseral Nord project was completed. It has involved building a new, bigger dam across Langevatn reservoir and a new water transfer tunnel to Lake Nåvatn. This project will generate as much as 42 GWh of renewable energy, equivalent to the electricity consumption of 2,100 homes.

In the autumn of 2020, work also began on Fennefoss power station near Evje. The new power station will have a rated capacity of 9.9 MW, and it will generate approximately 59 GWh per year. This is equivalent to the annual consumption of around 3,000 homes. The power station will exploit the 7.8-metre fall at Fennefossen waterfall. The area around the future power station, which is blighted by past mining activity, will be redeveloped as an attractive green space.



At Agder Energi, the expertise of our employees is one of our most important resources.



AGDER ENERGI VANNKRAFT

Employees	Unit	2020	2019	2018
Total	number	140	144	145
Proportion of permanent employees	%	98 %	95 %	95 %
Proportion of temporary employees	%	2 %	5 %	5 %
Proportion of men	%	93 %	92 %	92 %
Proportion of women	%	7 %	8 %	8 %
Number of full-time equivalents	number	137.8	140.6	142.50
Reaching retirement age within 5 years	%	23 %	25 %	22 %
Reaching retirement age within 6-10 years	%	19 %	21 %	22 %

Biodiversity	Unit	2020	2019	2018
Vulnerable species (on red list) affected by operations	number	1	1	1
Species of low concern (not on red list) affected by operations (e.g. eelgrass, salmon, bleke)	number	2	2	2

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	0	0	0

Health and safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	7.7	0	3.5
Sickness absence	%	4.3 %	2.0 %	3,1 %

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	471	551	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	67	58	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0	0	
Indirect emissions – Scope 3	tonnes of CO2e	317	5,122	
SF6 emissions (included in Scope 1)	tonnes of CO2e	7	182	

Electric power industry	Unit	2020	2019	2018
Net energy output	GWh	8,129	7,237	8,680
Number of wholly-owned and part-owned power stations	number	49	49	49

Agder Energi has started doing more line clearing in recent years, and here a helicopter can be seen cutting down trees and branches that are too close to the power line.



AGDER ENERGI NETT



Agder Energi Nett owns and is responsible for operating the regional transmission and distribution networks in Agder, including a total of 22,100 km of power lines and serving 204,500 customers. The company shall provide and develop robust infrastructure, services and supplies in line with the expectations of society, and in compliance with laws and regulations.

A safe, reliable electricity supply is vital to a modern society, so Agder Energi Nett is continuously working to improve its procedures for clearing rights of way for high voltage overhead power lines. Each year it scans the grid from the air using drones and helicopters. The aim is to map forest growth along its power lines, in order to allow more targeted line clearing based on the best possible data.

Agder Energi Nett works proactively to comply with the laws and regulations that apply to distribution system operators. This is part of the company's systematic quality management process. Agder Energi Nett reports to, and is supervised by, the Norwegian Directorate for Civil Protection (DSB) and the Norwegian Water Resources and Energy Directorate (NVE), who ensure that it is operating the electrical grid safely and reliably. Agder Energi Nett had 0 serious nonconformities resulting in a fine in 2020.

Agder Energi Nett also wants to find safer, more eco-friendly and more efficient ways to inspect its electrical grid. As part of this process, it has used R&D funding from NVE for a project to test how drones and new technology can be used for power line inspections. In the autumn of 2020, it put the inspection and scanning of its electrical grid out to tender, and the hope is that drones will play a greater part in this work.

The supplier will be selected in the first quarter of 2021, and work is expected to start in the second quarter. The aim is for half of line inspections to be carried out using greener technology.

Sustainable solutions and new technology are also at the fore in Agder Energi Nett's new substations at Evje and Austerdalen near Kvinesdal. The new substations will be built with high voltage switchgear that does not use the greenhouse gas SF6. The power transformers will be located in sealed cells, and the indoor 132 kV switchgear will just use pure air as the insulation material. Work on the new substations started in the autumn of 2020, and they are due for completion in the autumn of 2021.

Within its work on biodiversity, Agder Energi Nett has implemented several measures to protect the Eurasian eagle-owl in Norway. In collaboration with ornithologists and the County Governor of Agder, locations used by eagle-owls close to various high-risk towers have been identified, and measures to protect the birds against electric shocks are being implemented. The company aims to minimise its negative impacts on the environment throughout the design stage, including in licence applications, in preliminary projects, and in the construction, operation and maintenance of its infrastructure. The company carries

out risk and vulnerability assessments during the planning phase that take into account possible impacts on nature and the environment. The potential environmental impacts vary from project to project. Major environmental considerations such as protected areas are uncovered by the risk and vulnerability assessment or the underlying documentation for the assessment. An effort is also made to avoid marshes when choosing routes for power lines.

Agder Energi Nett is currently testing a new foundation system for composite utility masts on bedrock. The new method, which is called slot drilling, has a significantly smaller footprint than other traditional methods. In simple terms, the method involves drilling a slot in the bedrock using a large "hole cutter" drill bit fitted to a newly developed drill rig. The composite foundation can then be lowered into the slot and fixed to the bedrock.

Agder Energi Nett considers it important to assist and facilitate the electrification of society, and it is doing this by participating in a number of projects. It is constantly working on innovation and development projects to ensure a reliable electricity supply, while also striving to reduce peak loads.

In 2020, the up-time of Agder Energi Nett's electrical grid was 99.982%.



In 2018, the trainees Faizan Ilyas and Andrea L. Torjussen both worked on the electric power systems of the future.



AGDER ENERGI NETT

Employees	Unit	2020	2019	2018
Total	number	189	175	174
Proportion of permanent employees	%	95 %	96 %	93 %
Proportion of temporary employees	%	5 %	4 %	7 %
Proportion of men	%	79 %	81 %	82 %
Proportion of women	%	21 %	19 %	18 %
Number of full-time equivalents	number	183.8	172.4	169.6
Reaching retirement age within 5 years	%	18 %	20 %	17 %
Reaching retirement age within 10 years	%	22 %	21 %	24 %

Biodiversity	Unit	2020	2019	2018
Number of critically endangered species affected by operations	number	1	1	1

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	0	1	0

Health and Safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	0	5.9	3.0
Sickness absence	%	2,3 %	3,0%	3,2%

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	319	580	
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	37	37	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 3	tonnes of CO2e	152	282	
SF6 emissions (included in Scope 1)	tonnes of CO2e	182	315	

Not comparable due to changes to methodology

Electric power industry	Unit	2020	2019	2018
Number of customers	number	207,531	204,500	201,500
Network reliability	%	99.98 %	99.98 %	99.94 %
Length of overhead power lines	km	13,619	13,712	13,746
Length of underground/underwater lines	km	8,641	8,424	8,193

Data protection	Unit	2020	2019	2018
Complaints about data protection breaches	number	0	0	0

AGDER ENERGI KRAFTFORVALTNING

Agder Energi Kraftforvaltning is responsible for managing and maximising the return on the electricity generated by the Group, on behalf of Agder Energi Vannkraft. It does this by trying to optimise scheduling and by managing market risks, taking into account hydrology, weather data and information about markets. Environmental conditions are an important factor in establishing the optimal generation schedule for hydroelectric power resources. The company is also responsible for the Group's trading portfolios, and its aim is to build up its business in both standard and non-standard electricity trading.

Energy Management & Trading is working on several projects relating to sustainability. This includes testing and improving new and existing models for forecasting future hydrological resources and scheduling hydroelectric power. The aim is that this, combined with the use of more different weather models for short-term forecasting, will help to reduce spilled water and flooding. The company's trading activities help to enable new investments in renewable power to go ahead. One of many examples of this can be found in one of the company's areas of activity within non-standard products. They have identified the need of new power plants and consumers for tailored products. Wind farms supply large quantities of non-dispatchable electricity, but it is difficult to sell this unpredictable electricity supply in advance, which makes investors

and lenders wary. Meanwhile, large electricity consumers want a regular supply of renewable energy. By entering into long-term power purchasing agreements with wind farms, while also selling electricity with different generating profiles to large industrial consumers, we create the predictability that enables new renewable energy projects to go ahead, as well as providing a predictable, stable supply of renewable energy straight to end users.

Energy Management & Trading is also a major player in the European market for guarantees of origin, which are the only recognised way of documenting that electricity comes from a renewable source. The sale of guarantees of origin is also used to build up a fund to pay for environmental protection measures in river sys-

tems. The money in this fund comes from power stations that are certified under the Swedish eco-label Bra Miljöval according to strict criteria established by the Swedish Society for Nature Conservation. In 2020, funding was given to prepare a large nursery area for young salmon at Froland in the River Nidelva. This is one of the river's most important spawning grounds for salmon.

Staff at Energy Management & Trading also contribute their expertise to joint activities at the Group. In 2020, staff at the business area helped to map the Group's overall climate risk, and they provided analysis and took part in discussions in conjunction with the Confederation of Norwegian Enterprise (NHO) project on energy, climate and future electricity needs.



Agder Energi Varme keeps the artificial turf pitch at the Sparebanken Sør Arena in Kristiansand free of snow and frost throughout the winter. Hege Jortveit, the Managing Director of Agder Energi Varme, is pleased that waste heat is making it possible to make more use of the stadium in winter



AGDER ENERGI KRAFTFORVALTNING

Employees	Unit	2020	2019	2018
Total	number	58	59	60
Proportion of permanent employees	%	98 %	98 %	98 %
Proportion of temporary employees	%	2 %	2 %	2 %
Proportion of men	%	86 %	81 %	87 %
Proportion of women	%	14 %	19 %	12 %
Number of full-time equivalents	number	58	59	58.9
Reaching retirement age within 5 years	%	4 %	5 %	5 %
Reaching retirement age within 10 years	%	11 %	5 %	5 %

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	0	0	0

Health and safety	Unit	2020	2019	2018
Personal injuries per million work hours	H2 value	0	0	0
Sickness absence	%	1.8 %	2.6 %	2.5 %

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	-	-	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 3	tonnes of CO2e	9	65	

AGDER ENERGI VARME



Agder Energi Varme delivers both district heating and cooling to urban areas in Agder. District heating is a flexible energy system that uses water to transport heat energy from one place to another. District heating makes use of local energy sources that would otherwise have gone to waste, which means it doesn't produce any greenhouse gas emissions. Using this energy to heat buildings and produce hot water is a good way to make use of it.

Using these local heat sources frees up electricity, which can then be used to charge electric cars, for example, which also reduces greenhouse gas emissions. On cold winter days the district heating system takes the pressure off the electricity network in Kristiansand city centre, supplying a third of the power needed.

The company has been developing its district heating infrastructure for over 20 years. This has made it possible for many buildings to replace their oil-fired boilers with environmentally friendly district heating. Now district heating is also replacing electric boilers, freeing up electricity to be used for other purposes, such as charging electric cars.

In Kristiansand city centre, the company offers district cooling based on cold sea water. This is climate-friendly and energy efficient, and doesn't use any environmentally harmful refrigerants. District cooling improves quality of life in the city centre by eliminating big, noisy air-con units from roofs and back yards. These spaces can then become green roofs and green lungs. Moreover, it is important for Agder Energi Varme to supply the right energy, at the right time and in the right way, so resources are used efficiently and to promote a sustainable future.

The use of oil as a back-up energy source is Agder Energi Varme's biggest negative impact on society. For 2020, the company therefore had a target of at least 99% of

the energy for its district heating being renewable. It is difficult to find alternative energy sources that work in the event of an outage, as you often need large amounts of power to come on stream quickly. The options available are expensive and come with technical challenges, both in terms of implementation and operation. In 2020, the company achieved an impressive renewable share of 99.3%. This great result was made possible by the hard work of our employees, mild weather, the use of biofuel to cover peak loads in Kristiansand and greater use of electricity (with guarantees of origin). Since district heating is flexible in terms of which energy source it uses, and can easily switch between them, it only uses electricity when there is spare capacity. In 2020 there was surplus electricity at low prices, which made electricity the most sustainable option for most of the year. The company is also working to reduce emissions from its vehicles. In 2020 it took delivery of its first electric vehicle, and the next one will be delivered in the spring of 2021. The company has been waiting for vehicles that are environmentally friendly and also capable of doing the job they are intended for. Fortunately the options available are

constantly improving, which is enabling Agder Energi Varme to replace various diesel vehicles with electric ones.

Our work on sustainability also revealed that urban energy, in other words district heating and cooling in cities, is highly beneficial, because it enables more sustainable use of energy and power in urban areas. The company is striving to improve even further in areas like the flexible use of energy sources, recovering energy that would otherwise have been lost, meeting peak loads, storing energy in the district heating network and integration with the electrical grid. Agder Energi Varme wants to help its customers to use energy and power more sustainably, and it aims to improve housing conditions in urban areas. The company will continue to work on this in 2021 and the coming years. The aim is to become 100% renewable.

In 2020, Agder Energi Varme was fined for an oil spill that occurred back in 2018. The company has accepted the fine and tightened up its procedures in accordance with the relevant regulations and guidelines.

Employees	Unit	2020	2019	2018
Total	number	13	14	14
Proportion of permanent employees	%	100 %	100 %	64 %
Proportion of temporary employees	%	0 %	0 %	36 %
Proportion of men	%	85 %	86 %	86 %
Proportion of women	%	15 %	14 %	14 %
Number of full-time equivalents	number	12.5	13.5	13.6
Reaching retirement age within 5 years	%	8 %	7 %	14 %
Reaching retirement age within 6-10 years	%	23 %	14 %	7 %



AGDER ENERGI VARME

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	1	0	0

Health and safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	46	37	37
Sickness absence	%	3.3 %	0.9 %	0.4 %

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	337	688	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	146	91	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	0	0	
Indirect emissions – Scope 3	tonnes of CO2e	1	3	

Electric power industry	Unit	2020	2019	2018
Net energy output	GWh	157	168	172
District heating production from waste heat	GWh	123	129	134
District heating production from biomass	GWh	19	30	28
District heating production from heating oil	GWh	1,1	2,0	2,0
Installed capacity	MW	133	133	133
Business customers	number	459	445	441
Retail customers	number	20	20	20
Allocation of CO2 quotas	number of quotas	1,314	1,661	2,021
Length of district heating pipes	km	69	67	65
Length of district cooling pipes	km	18	17	16



AGDER ENERGI



The parent company Agder Energi AS takes care of the Group's administrative functions. Those functions are responsible for HR, finance, CSR, projects, purchasing and technology.

Employees	Unit	2020	2019	2018
Total	number	166	183	170
Proportion of permanent employees	%	98 %	95 %	94 %
Proportion of temporary employees	%	2 %	5 %	6 %
Proportion of men	%	59 %	59 %	55 %
Proportion of women	%	41 %	41 %	38 %
Number of full-time equivalents	number	161.3	175.8	152.9
Reaching retirement age within 5 years	%	12 %	11 %	12 %
Reaching retirement age within 10 years	%	22 %	24 %	23 %

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	0	0	0

Health and safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	1.9 %	3.5 %	3.9 %

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	12	1.7	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	9	2	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 3	tonnes of CO2e	96	266	



AGDER ENERGI

Energy consumption	Unit	2020	2019	2018
Electricity consumption	kWh	2,563,800	2,697,820	2,450,525
Electricity consumption with guarantees of origin	kWh	2,563,800	2,697,820	2,450,525
Energy consumption, district heating and cooling	kWh	1,110,348	1,088,410	1,142,360
Kraftsenteret (Kristiansand)				
Electricity consumption	kWh	2,098,454	2,185,800	1,884,291
Electricity generation from solar panels	kWh	26,656	35,579	30,000
District heating consumption	kWh	569,596	531,490	585,140
District cooling consumption	kWh	180,732	128,180	149,250
Office space leased out	m ²	14,078	15,323	14,298
Gross floor area used by companies in the Agder Energi Group	m ²	12,974	13,124	11,957
Energy consumption per m ²	kWh/m ²	107	101	105
Stoa (Arendal)				
Electricity consumption	kWh	465,346	512,020	566,234
District heating consumption	kWh	360,020	428,740	407,970
Energy consumption per m ²	kWh/m ²	133	182	99



Through its partnership with Trainee Sør, Agder Energi gains access to young, highly-qualified people full of enthusiasm and new ideas. They look at issues with young, fresh eyes.



LOS



LOS is Norway's third largest electricity retailer, and it supplies electricity and associated products and services to domestic customers all over Norway. LOS wants to make it easy for its customers to make greener decisions in their day-to-day lives.

LOS gives high priority to being sustainable and responsible, and it wants to give back to society. The company, which is certified under the Eco-Lighthouse scheme, is climate-neutral. LOS offers its customers 100% renewable hydroelectric power, and it buys guarantees of origin from hydroelectric power plants in Agder.

LOS is continuously working to develop new products and solutions that reflect market opportunities and customer needs, and it offers solutions for solar power, home charging and smart charging, as well

as an LOS App where customers can find useful information about their electricity consumption and other aspects of their account.

Since 2004, LOS has given out one million Norwegian kroner each year to children and youths in Agder through the LOS fund. The company also supports clubs, associations and other activities in the region through various sponsorship agreements.

LOS has for many years scored highly in independent surveys of customer service,

customer satisfaction and loyalty. In 2020 LOS was named the electricity retailer with most loyal customers in the national EPSI survey, and in the latest Norwegian sustainability barometer LOS had the distinction of being the supplier where loyalty was most closely linked to sustainability.

Employees	Unit	2020	2019	2018
Total	number	38	40	47
Proportion of permanent employees	%	100 %	100 %	100 %
Proportion of temporary employees	%	0 %	0 %	0 %
Proportion of men	%	45 %	48 %	45 %
Proportion of women	%	55 %	53 %	55 %
Number of full-time equivalents	number	36.9	38.7	45.1
Reaching retirement age within 5 years	%	8 %	5 %	2 %
Reaching retirement age within 6-10 years	%	8 %	13 %	9 %

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	0	0	0

Health and safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	4.0 %	3.7 %	4.6 %

LOS

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	-	-	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 3	tonnes of CO2e	2	13	

Electric power industry	Unit	2020	2019	2018
Number of customers	number	160,000	155,000	145,000

Data protection	Unit	2020	2019	2018
Complaints about data protection breaches	number	0	0	0



Minister of Climate and Environment Sveinun Rotevatn participated in the opening of the Electricity Index - a website with an overview of the degree of electrification in Norway and an indicator of how much CO2 can be reduced by electrification.



ENTELIOS NORDEN



Entelios offers clean energy, cutting-edge expertise and technology that enable industrial companies, big and small businesses and public enterprises to lead the way in terms of climate-friendly energy solutions.

Entelios specialises in managing and trading electricity in a market where energy from renewable sources such as hydro, wind and solar power are replacing fossil fuels. The core business of Entelios is managing and trading renewable energy in the Nordic and European electricity

markets on behalf of its customers. Entelios is also a big player in the market for guarantees of origin for producers of wind, hydroelectric and solar power.

The customers that Entelios is helping to introduce more sustainable solutions inclu-

de the property company Technopolis, which leases out flexible office space. In 2020, Technopolis signed a contract to buy electricity with guarantees of origin from Entelios. This enabled it to meet the demands of its tenants to document that it was using 100% renewable energy.

Employees	Unit	2020	2019	2018
Total	number	72		
Proportion of permanent employees	%	99 %		
Proportion of temporary employees	%	1 %		
Proportion of men	%	72 %		
Proportion of women	%	38 %		
Number of full-time equivalents	number	72		
Reaching retirement age within 5 years	%	7 %		
Reaching retirement age within 10 years	%	20 %		
Not comparable due to changes to methodology				

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	antall	0	0	0

Health and Safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	2.0 %	4.3 %	3.8 %

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e			
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	0.4		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-		
Indirect emissions – Scope 3	tonnes of CO2e	14		
Not comparable due to changes to methodology				

Electric power industry	Unit	2020	2019	2018
Number of customers	antall	10,735		
Not comparable due to changes to methodology				



ENTELIOS CENTRAL & WESTERN EUROPE

Entelios also operates outside the Nordic region, where its businesses operate under the umbrella Entelios Central & Western Europe (CWE). The company is a leading supplier of technology and flexibility services aimed at stabilising demand in the electrical grid. In addition, the company Nordgröön is a so-called integrator of renewable energy in the regional electricity market in northern Germany.

Employees	Unit	2020	2019	2018
Total	number	81		
Proportion of permanent employees	%	89 %		
Proportion of temporary employees	%	11 %		
Proportion of men	%	72 %		
Proportion of women	%	18 %		
Number of full-time equivalents	number	72.3		
Reaching retirement age within 5 years	%	7 %		
Reaching retirement age within 10 years	%	19 %		

Not comparable due to changes to methodology

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	antall	0	0	0

Health and Safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	2.0 %	4.3 %	3.8 %

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	8		
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	24		
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	36		
Indirect emissions – Scope 3	tonnes of CO2e	40		

Not comparable due to changes to methodology

Electric power industry	Unit	2020	2019	2018
Number of customers	antall	1,010		

Not comparable due to changes to methodology



MEVENTUS



Meventus is a leading, independent supplier of wind power services and consultancy. Its product portfolio covers technical and commercial services for the whole life cycle of wind power projects, from screening and development through to construction and operation.

Meventus is an international company with its head office in Kristiansand, and with separate subsidiaries in Denmark and Sweden. The staff at Meventus are highly-skilled, with extensive experience of complex projects both in Norway and overseas.

Meventus puts great emphasis on safety, the environment and sustainability by offering products and services that give top priority to the safety of all employees. It also strives to minimise the environmental footprint of its operational activities.

The products and services that it chooses shall be based on developing and using renewable resources.

Employees	Unit	2020	2019	2018
Total	number	4	4	5
Proportion of permanent employees	%	100 %	100 %	100 %
Proportion of temporary employees	%	0 %	0 %	0 %
Proportion of men	%	75 %	75 %	80 %
Proportion of women	%	25 %	25 %	20 %
Number of full-time equivalents	number	400 %	400 %	500 %
Reaching retirement age within 5 years	%	0 %	0 %	0 %
Reaching retirement age within 10 years	%	25 %	25 %	20 %

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	0	0	0

Health and safety	Unit	2020	2019	2018
Injuries per million work hours	H2 value	0	0	0
Sickness absence	%	1.6 %	1.3 %	2.0 %

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	-	-	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	-	-	
Indirect emissions – Scope 3	tonnes of CO2e	3.1	4.3	

Electric power industry	Unit	2020	2019	2018
Number of customers	number	100	100	80



LATGALES ENERGETIKA



Latgales Energetika generates hydroelectric power in Latvia, and is subject to rules on the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers. Water quality and ecosystems in its reservoirs and rivers are continuously monitored to ensure that its hydroelectric power stations aren't having any negative environmental impacts.

As the company relies on relatively old, artificial reservoirs, it is not required to install salmon ladders. However, other measures have been implemented to preserve biodiversity.

The terms of our licences specify the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers. No nonconformities with those rules were recorded in 2020.

The regulatory authorities have notified the company that a small 75 kW generator has been incorrectly registered. The generator has been shut down until this is corrected and approved.

Reservoir levels are strictly regulated and are monitored by the company's automatic dam gate control system. The aim is to keep the water level constant without affecting the ability of fish to migrate. In

order to protect river systems and the quality of life of the species they are home to, the authorities measure the water level once a year. The company is also constantly maintaining its dams to ensure that residents can use surrounding areas for fishing, bathing and other leisure activities.

Employees	Unit	2020	2019	2018
Total	number	6	6	6
Proportion of permanent employees	%	100 %	100 %	83 %
Proportion of temporary employees	%	0 %	0 %	17 %
Proportion of men	%	67 %	67 %	67 %
Proportion of women	%	33 %	33 %	33 %
Number of full-time equivalents	number	5	5	N/A
Reaching retirement age within 5 years	%	33 %	17 %	17 %
Reaching retirement age within 6-10 years	%	0	17 %	17 %

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	1	1	0

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO2e	17	6	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO2e	2	1	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO2e	4	4	
Indirect emissions – Scope 3	tonnes of CO2e	1	1	

Electric power industry	Unit	2020	2019	2018
Net energy output	GWh	3.1	2.2	2.7
Number of power stations	number	3	3	3



UAB BALTIC HYDROENERGY



Baltic Hydroenergy generates hydroelectric power in Lithuania, and is subject to rules on the minimum flow needed to preserve recreation areas and to protect fish stocks in dammed rivers. Water quality and ecosystems in its reservoirs and rivers are continuously monitored to ensure that its hydroelectric power stations aren't having any negative environmental impacts.

As the company relies on relatively old, artificial reservoirs, it is not required to install salmon ladders. However, other measures have been implemented to preserve biodiversity.

Employees	Unit	2020	2019	2018
Total	number	9	9	9
Proportion of permanent employees	%	100 %	100 %	89 %
Proportion of temporary employees	%	0 %	0 %	11 %
Proportion of men	%	78 %	78 %	78 %
Proportion of women	%	22 %	22 %	22 %
Number of full-time equivalents	number	9	2	N/A
Reaching retirement age within 5 years	%	11 %	22 %	11 %
Reaching retirement age within 6-10 years	%	22 %	22 %	11 %

Breaches of laws and regulations	Unit	2020	2019	2018
Recorded breaches of laws and regulations	number	0	1	0

Greenhouse gas emissions	Unit	2020	2019	2018
Direct emissions – Scope 1	tonnes of CO ₂ e	28	31	Not comparable due to changes to methodology
Indirect emissions – Scope 2 Physical approach	tonnes of CO ₂ e	4	7	
Indirect emissions – Scope 2 Market-based approach	tonnes of CO ₂ e	18	19	
Indirect emissions – Scope 3	tonnes of CO ₂ e	31	0	

Electric power industry	Unit	2020	2019	2018
Net energy output	GWh	3.9	3.5	5.1
Number of power stations	number	5	5	5

GRI REPORTING AT AGDER ENERGI

Our sustainability report covers the following companies:

- Agder Energi Vannkraft AS
- Agder Energi Nett AS
- Agder Energi Kraftforvaltning AS
- Agder Energi Varme AS
- Agder Energi AS
- LOS AS
- Entelios Norden, comprising the companies Entelios AS, AB
- Entelios CWE, comprising the companies Entelios AG and GmbH
- Meventus AS
- UAB Baltic Hydroenergy
- Latgales Energetika

Between them, these companies represent the vast majority of the Group's operations. Based on a cost/benefit analysis, smaller companies have been excluded, but we do not believe that this significantly distorts the overall picture of the Group's impact on society and the environment.

Agder Energi Venture is included in Agder Energi's annual report, and an annual assessment is made as to whether it makes sense and is relevant to include the venture businesses in the sustainability report.



Communication is more important than ever before, and here Magnus Lyngroth, a trainee power plant operator, is explaining his job to Elise Kure, a trainee communications adviser.

DATA QUALITY



Every effort has been made to ensure accuracy in the collection of data for the report and their presentation. In so far as underlying data have been interpreted, the aim has been to give as accurate and relevant a picture as possible of the situation in question. The environmental data on which the report is based include data from direct measurements, self-declared aggregate figures for our companies and subcontractors, calculated averages and a few estimates. The level of precision of the

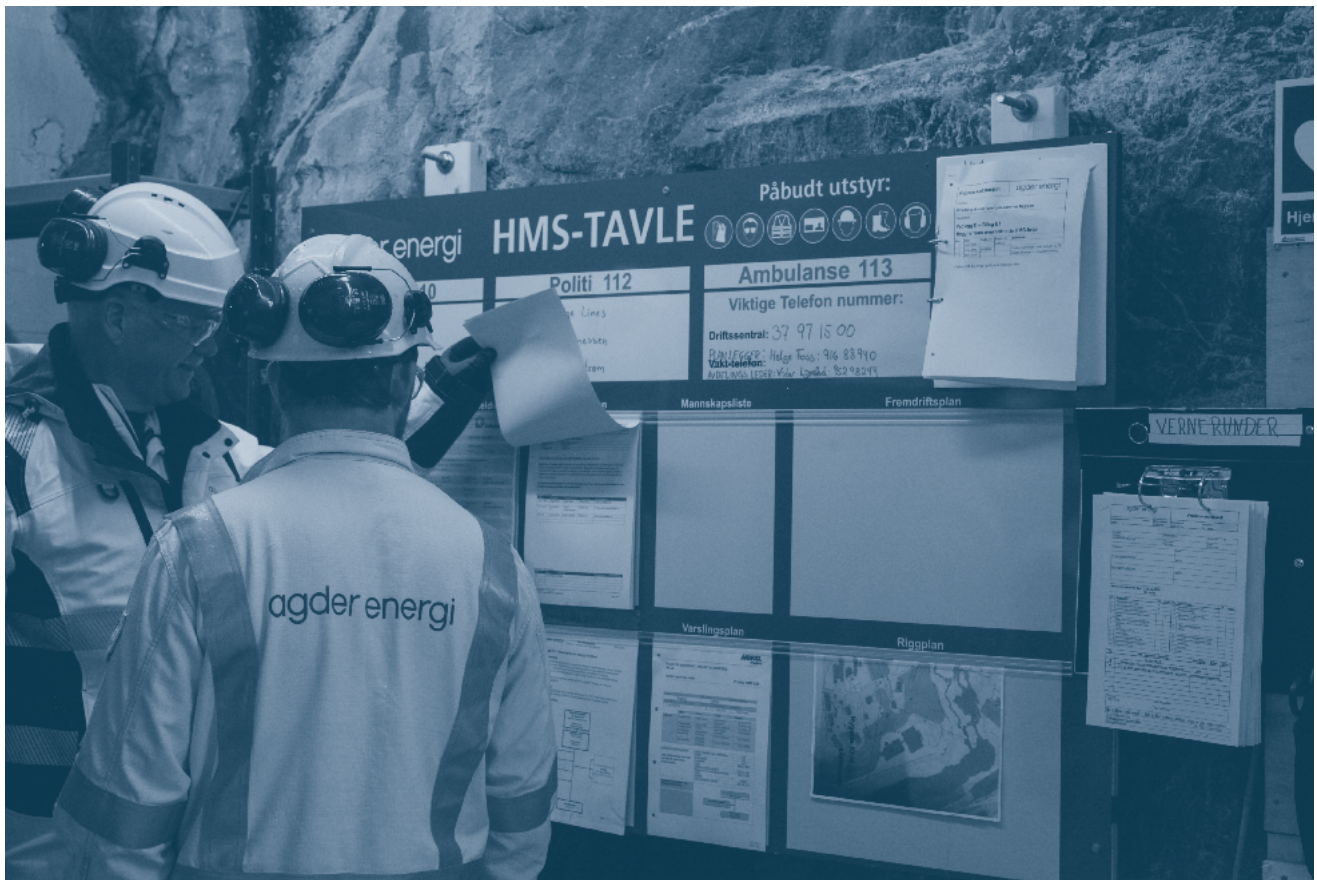
data is therefore variable. Data are obtained from our own sources and from suppliers. The latest emission factors come from CEMAsys, the software tool used for GHG accounting.

The Group considers that this complies with the GRI Standards, Core. These principles help to ensure that the report contains verifiable data that are assumed to be relevant to stakeholders.

The report has not been externally verified to confirm that the figures collected meet

the GRI Standards. The GRI index only relates to the items which the Group has chosen to report. Reference is only made to disclosure items in the General Standard Disclosures and Specific Standard Disclosures that are actually used in the report. Full details of all of the Disclosure Items can be found on the website of the Global Reporting Initiative at <https://www.global-reporting.org>.

The contact person for enquiries regarding the report is our CSR Director Unni Farestveit: unni.farestveit@ae.no.



Health and safety shall always be the top priority at Agder Energi, and we strive to ensure that we meet our zero accident vision. The photo shows a health and safety review at Evenstad power station.

CHANGES IN RELATION TO THE 2019 REPORT

CHANGES IN ORGANISATIONAL STRUCTURE



The 2020 report does not significantly deviate from the 2019 report in terms of organisational changes. In

2020, Agder Energi introduced a new Group structure. As a result, Entelios AS and AB were moved into the Customer business area and are now reported under Entelios

Norden, while the German Entelios companies AG, GmbH and Nordgröön are reported under Entelios CWE.

UPDATES TO DATA REPORTED IN PREVIOUS YEARS

Some changes have been made to previously reported data. These changes mainly relate to errors discovered when collecting data for 2020, and adjustments to previously reported figures. Where we consider them to be insignificant to the overall picture for the Group or the individual company, no further comment is made. The most important changes that are not made clear by the figures reported by each

individual company are explained and highlighted.

In the company-specific reporting, in certain cases the company has no data to report. This is either because data is unavailable or because the disclosure item is irrelevant to the company. In both cases, NA for Not Available has been entered to indicate that these data have not been reported. Due

to changes to data reported for previous years, the underlying data have changed. This, as well as the effect of companies being added to or removed from the report from year to year, means aggregated figures are not always directly comparable.



GRI INDEX

MANDATORY DISCLOSURE ITEMS

GRI	Explanation	GRI index	Sustainability report page number	Annual report page number	Partial reporting
Organisation					
102-1	Name of the organisation	Agder Energi AS			
102-2	Most important products and/or services			9	
102-3	Location of headquarters	Kristiansand			
102-4	Location of operations			8	
102-5	Ownership and legal form			9	
102-6	Markets served			9	
102-7	Scale of the organisation				
102-8	Total number of employees by type of role, type of contract and region, broken down by gender		9		Not by region
102-9	Supply chain		11		
102-10	Significant changes to the organisation during the reporting period, such as to its scale, structure or ownership		44		
102-11	Use of the precautionary principle or approach in the organisation		12		
102-12	Externally-developed economic, environmental and social initiatives, charters or principles which the organisation endorses		8		
102-13	Membership of industry associations or other confederations, and national/international lobbying activities		10		
Strategy					
102-14	Statement from CEO			13	
Ethics and integrity					
102-16	The organisation's values, principles, standards, and norms of behaviour			19	
102-17	Channels for reporting potential breaches of the ethical guidelines			7	
Governance					
102-18	The organisation's governance structure, including the highest governance body and committees responsible for decisions about economic, environmental and social topics			16	
102-20	Executive-level responsibility for economic, environmental, and social topics			32	
102-22	Composition of the Board and committees			16	
102-23	Chair of the Board			32	



GRI-INDEKS

MANDATORY DISCLOSURE ITEMS

GRI	Explanation	GRI index	Sustainability report page number	Annual report page number	Partial reporting
Stakeholder engagement					
102-40	Stakeholder groups the organisation communicates with		9		
102-41	Percentage of employees covered by collective bargaining agreements	64%			
102-42	Description of how the organisation identifies and selects stakeholders		9		
102-43	Approach to stakeholder engagement, including frequency of dialogue		9		
Reporting practice					
102-45	List of all entities included in the organisation's annual report and annual financial statements		42		
102-46	Description of the process for defining report content and topic boundaries, as well as for implementing the reporting principles		42		
102-47	List of topics identified as being material		12	120	
102-48	Restatements of information from previous reports		44		
102-49	Significant changes since previous report, including to scope, boundaries or measurement methods applied		44		
102-50	Reporting period	01.01.20 - 31.12.2020			
102-51	Publication date of previous report	12.04.2019			
102-52	Reporting frequency	Årlig			
102-53	Contact point for questions regarding the report and its contents	Unni Farestveit			
102-54	Reporting level	Core			
102-55	GRI index		45		
102-56	Practice for external assurance of reporting	Ingen			



GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Anti-corruption					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	13	120	
	103-2	Description of the management approach for material topics	13	120	
	103-3	Evaluation of the management approach	13	120	
Communication and training	205-2	Communication and training about anti-corruption policies and procedures	13	120	
Confirmed incidents of corruption	205-3	Total number of incidents of corruption and description of any court cases.	13	120	
An attractive employer that supports professional development					
Management approach	103-1	Explanation and boundaries of material topics			
	103-2	Description of the management approach for material topics	13	120	
	103-3	Evaluation of the management approach	13	120	
Regular performance and career development reviews	404-3	Percentage of total employees who received a regular performance and career development review, by gender and by employee category	13	120	
Biodiversity					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	13	120	
	103-2	Description of the management approach for material topics	13	120	
	103-3	Evaluation of the management approach	13	120	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	304-4	Total number of IUCN Red List species by level of threat (critically endangered, endangered, vulnerable, near threatened, low concern)	13	120	

GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Breaches of laws and regulations					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	14	121	
	103-2	Description of the management approach for material topics	14	121	
	103-3	Evaluation of the management approach	14	121	
Socioeconomic compliance	419-1	Non-compliance with laws in the socioeconomic area	14	121	
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	14	121	
Health and safety					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	14	121	
	103-2	Description of the management approach for material topics	14	121	
	103-3	Evaluation of the management approach	14	121	
Work-related injuries	403-9	Information about deaths, injuries, or hazards that represent a risk and measures to eliminate them	14	121	
Greenhouse gas emissions					
Management approach	103-1	Explanation and thresholds/ boundaries of material topics	15	121	
	103-2	Description of the management approach for material topics	15	121	
	103-3	Evaluation of the management approach	15	121	
Direct and indirect GHG emissions and GHG emissions intensity	305-1	Reported in tonnes of CO ₂ e	15	121	



GRI-INDEX

MATERIAL TOPICS AND INDICATORS

Indicator	GRI	Description	Sustainability report page number	Annual report page number	Partial reporting
Climate Risk					
Management approach	103-1	Explanation and boundaries of material topics	16	122	
	103-2	Description of the management approach for material topics	16	122	
	103-3	Evaluation of the management approach	16	122	
Financial implications	201-2	Financial implications and other risks and opportunities due to climate change based on scenarios for future development	16	122	
Working conditions and environmental impacts in supply chains					
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